



DATE: November 16, 2024
TO: Members of the Commission
FROM: Karen Z. Schutter, Executive Director
RE: Procedures for Annual Formation of Insurance Compact Management Committee and Election of Officers

Under Article III of the *Interstate Insurance Product Regulation Compact Bylaws*, the formation of the Management Committee occurs at the Commission's Annual Meeting, which is being held in-person on Saturday, November 16, 2024 at 3 pm ET.

Article III, Section 1 of the *Bylaws* provides the method of composition for the 14-member Management Committee and is based on three-tier representation from the Member states:

- Six (6) Member states with the largest premium volume are automatically on the Management Committee ("Tier One");
- Four (4) seats are allotted to Member states with more than 2% of premium volume (other than the six largest) based on an annual rotation ("Tier Two"); and
- Four (4) seats are allotted to Member states with less than 2% of premium volume selected to represent each of the four NAIC zones ("Tier Three").

For purposes of determining composition of the Management Committee, the Insurance Compact uses the attached *2024 NAIC Premium Volume Chart by State* based on information reported to the NAIC on Schedule T, Part 2 of the NAIC's Annual Statement Blank for the reporting year 2023.

TIER ONE STATES: The following states will automatically serve on the Management Committee in Tier One as they are currently the Compacting States with the largest premium volume: **Illinois, Michigan, New Jersey, Ohio, Pennsylvania, and Texas.**

TIER TWO STATES: The Compacting States in Tier Two are: Arizona, Georgia, Massachusetts, Minnesota, North Carolina, and Virginia. Compacting States in this tier serve on the Management Committee under a rotating process outlined in Article III(1)(A)(2) of the *Bylaws*. Under this methodology, the following states are slated to serve on the Management Committee for 2025: **Arizona, Massachusetts, North Carolina, and Virginia.**

TIER THREE STATES: The following Compacting States will represent each zone respectively: **Vermont (NE), West Virginia (SE), Nebraska (MW), and Wyoming (W).**

The Insurance Compact Officers (Chair, Vice Chair and Treasurer) are elected during the Annual Meeting by the Commission from the membership of the Management Committee during the Insurance Compact Annual Meeting on November 16th.